

Screen ICSPE _____ BDS-TELIS DATA ENTRY SUBSYSTEM 10121998 17:08
 Command _____ ASR Special Access Service
 CCNA ICF PON 1998-21479-50593 VER _____ ICSC SB01 ReqTyp SD Act C
 ECKKT AC198301 Status F
 ASR 9828500223 EC Status A RPON 1997-21479-14000
 Circuit Detail: NC HCE- NCI 04DS6.66 TLV _____ S25 _____ EXR _____
 TRF MST GETO GBTN _____ HVP NSIM SR _____
 SecNCI _____ SI SPOT _____ SecTLV _____ CKLT _____
 NSL ATN _____ CFA N/A _____
 CPT _____ CFAU SSS SCFA _____
 MUXLoc _____ HBAN _____ WACDI _____
 PRIADM _____ WACD2 _____
 SECADM _____ CLK NYC PSPEED _____ LMP N/U ZLG BSC ETET _____
 Location Sect.: SecLc EATLNGABU0IT Street N/A _____
 Bldg N/A FI N/A Rm N/A City ATLANTA St GA _____
 RLoc _____
 OTC _____ WKTel _____
 ACTel _____ EUCOn _____ EUTel _____
 LCon _____ ACC _____
 REN JKCod PCA JKNum JKPos JS SMJK _____
 CTX Tel _____ CTX Nm _____ ISDN SEQ _____ of _____
 RMKS THIS IS JUST A CHANGE ORDER TO CHANGE TANDEM ATLNGABU0IT TO A MULTI TAND
 EM _____
 ICS9098I - NEXT COMPLETED.

EXHIBIT C
E-MAIL FROM MICHAEL LOFTON TO KASEY HOWARD

Lofton, Michael G. (EXCH)
From: Lofton, Michael G. (EXCH)
Sent: Thursday, February 18, 1999 12:28 PM
To: 'kasey.howard@bridge.bellsouth.com'
Cc: Thomas, Ed L. (EXCH)
Subject: Closing ASR 1998-21479.50593

Kasey,

Per our conversation this morning, concerning the multiple tandem Architecture, Intermedia concurs with your understanding that Bell South requested this to be deployed to assist with the completion of traffic being blocked due to capacity limitations in the Buckhead tandem. We also understand that Bell South has requested that this arrangement be left in place until BellSouth has worked through the capacity problems in the Atlanta area and specifically the Buckhead tandem. We reiterate our preference to continue our direct interconnection to all the tandems in the Atlanta LATA.

Thus, I am closing out the ASR 1998-21479.50593 that you requested Intermedia submit to BellSouth in November in order to keep your Internal records consistent with BellSouth's circuit deployment.

Thanks

Mike Lofton
Manager - Network Facilities
813-829-2284
mlofton@intermedia.com

Ed Thomas

County of HILLSBOROUGH

)

)

ss.

State of FLORIDA

)

**AFFIDAVIT OF
EDWARD L. THOMAS**

I, EDWARD L. THOMAS, being first duly sworn upon oath do hereby depose and state as follows:

1. My name is Edward L. Thomas. I am employed by Intermedia Communications Inc. ("Intermedia") as Director – Voice Planning & Deployment. My business address is 3625 Queen Palm Drive, Tampa, Florida 33619, and my telephone number is (813) 829-2930. In my capacity as Director – Voice Engineering, I am responsible for engineering the moves, adds, and changes of the telecommunications switching requirements within the Intermedia voice network. This includes the ordering and placement of central office switching equipment, ordering and placement of circuit groups between various exchanges, network capacity management, and network traffic management. My telecommunications background spans thirty-five years of experience and a myriad of technical training courses and seminars. I have attended Kent State University and Wooster (Ohio) College. Prior to joining Intermedia, I was employed by GTE for twenty-nine years in various management capacities.

2. I am submitting this Affidavit on behalf of Intermedia. The purpose of my Affidavit is to describe the manner in which Intermedia interconnects with BellSouth Telecommunications, Inc.'s ("BellSouth") facilities for the purpose of exchanging local traffic.

3. Intermedia is one of the largest independent competitive local exchange carriers ("CLECs") in the United States. In Georgia, Intermedia provides local exchange service primarily to business customers utilizing its telephone switches located in Atlanta. In order to reach end-users located in Georgia, Intermedia interconnects with BellSouth's facilities by purchasing so-called "interconnection trunks" from BellSouth. These "interconnection trunks" are used to connect Intermedia's switches with BellSouth's switches for the purpose of exchanging traffic. BellSouth's switching facilities are of two types: tandem switches and end office switches. A "tandem switch" is an intermediate switch or connection between an originating telephone call location and the final destination of the call; it serves to connect central offices when direct interoffice trunks are not available. An "end office switch" is the last switching point (i.e., central office) in the network before the subscriber's telephone equipment. Access to end users through direct connections to "end offices" subtending the "tandem" switches are appropriate where the volume of traffic so dictates; otherwise, connections to tandem switches are more economical. I provide as **EXHIBIT A** a diagram illustrating how a typical CLEC voice switch is connected to BellSouth's switch or switches.

4. There are at least two ways of reaching end users served out of BellSouth's end-offices. A CLEC could establish direct connections to each tandem within a local access and transport area ("LATA") in order to have access to the end-offices subtending each such tandem. For example, a CLEC could establish direct connections to Tandem A in order to reach end-users served out of end offices A-1, A-2, A-3, and so on; similarly, direct connections to Tandem B could be had in order to have access to end-users served out of end offices B-1, B-2, B-3, and so forth. I will refer to this as "Single Tandem Architecture." A diagram is provided in **EXHIBIT B**.

5. Another option is for a CLEC to interconnect to a single access tandem within the LATA to access all other tandems and end offices subtending the tandems. For example, a CLEC could establish trunk terminations to Tandem A, which would allow the CLEC to connect to the end offices subtending Tandem A, as well as to connect to end offices subtending Tandems B, C, and D via direct connections to Tandem A. The ultimate goal is to have access to all the tandems and end offices within a LATA through a single connection to one of the tandems (or at a minimum, through connections to less than all access tandems within the LATA). I will refer to this as "Multiple Tandem Architecture." A diagram is provided in EXHIBIT C.

6. The choice of whether to use a Single Tandem Architecture as opposed to a Multiple Tandem Architecture would depend on the particular needs of the CLECs. As a general rule, however, although Multiple Tandem Architecture is more economical because a CLEC need only interconnect with one tandem to have access to several tandems and the subtending end offices, this architecture is technically inferior. In particular, from an engineering standpoint, call efficiency is poorer in a Multiple Tandem Architecture setting. This is because the call is switched at multiple levels. On the other hand, Single Tandem Architecture offers high call efficiency because the amount of switching is significantly less. CLECs whose traffic volumes are significant tend to choose Single Tandem Architecture because their traffic volumes justify individual direct connections to each tandem. This is the case with Intermedia.

7. Prior to the first quarter of 1997, Intermedia had direct connections to the tandem switch in Buckhead. This allowed Intermedia to reach end-users that were served out of end-offices subtending the Buckhead tandem. Similarly, end-users served out of end offices

subtending the tandem switch located in Norcross were reached through Intermedia's connection to the Buckhead tandem.

8. Beginning in the first quarter of 1997, BellSouth stopped routing traffic to end-offices subtending the Norcross tandem via direct connections to the Buckhead tandem. BellSouth insisted that the interconnection agreement between BellSouth and Intermedia required direct connections to each tandem in the Atlanta, GA LATA. Consequently, Intermedia established individual direct connections to the Buckhead tandem and the Norcross tandem in order to reach end users served by the various end offices subtending the Buckhead and Norcross tandems, respectively.

9. Beginning in or around April 1998, Intermedia began experiencing congestion problems with the Buckhead tandem. Specifically, Intermedia was unable to obtain trunk terminations in the Buckhead tandem, the result of which was effectively to deny access to Intermedia's customers. Intermedia promptly brought this problem to BellSouth's attention, but the lack of available trunk terminations in the Buckhead tandem persisted for several months. BellSouth assured Intermedia that the addition of the Eastpoint tandem would alleviate the congestion at Buckhead. Indeed, when the Eastpoint tandem became operational, the congestion in the Buckhead facility was alleviated somewhat, but not for long. Soon thereafter, around the third quarter of 1998, the Buckhead tandem began experiencing congestion problems once again. The congestion problem in the Buckhead tandem became progressively worse and hit a critical point during the latter part of 1998, forcing me to escalate the problem sometime in December 1998 to Jon Rey Sullivan, Operations Assistant Vice President at BellSouth. I have since held several discussions with Mr. Sullivan, most recently in March 1999, to address the congestion

problem in Buckhead; however, the problem continued to persist until mid-April 1999 when BellSouth added circuits with Intermedia.

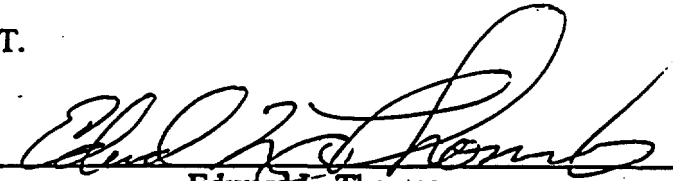
10. I believe that BellSouth may have converted Intermedia's direct interconnection to the Buckhead tandem into a multi-tandem architecture beginning in or around June 1998, *without* Intermedia's knowledge and consent, in order to alleviate the congestion in Buckhead. I believe this to be the case because Kasey Howard of BellSouth asked Dean Podzamsky of Intermedia to submit an Access Service Request ("ASR") to BellSouth in or around September of 1998, requesting the Buckhead tandem trunk group to be made multi-tandem. However, when Intermedia submitted the ASR to BellSouth in November 1998, *pursuant to BellSouth's request*, BellSouth advised Intermedia that the ASR could not be processed because the Buckhead tandem was already multi-tandem. This leads me to conclude that BellSouth had already converted Intermedia's interconnection to the Buckhead tandem into a multi-tandem architecture prior to the time BellSouth requested Intermedia to submit an ASR requesting multi-tandem. This is also consistent with Mike Lofton's conversation with Mr. Howard in late 1998, in which Mr. Howard advised Mike Lofton to submit an ASR for multi-tandem in order to make BellSouth's internal records consistent with its circuit deployment. Please see Mike Lofton's Affidavit.

11. I am unable to determine whether a multi-tandem architecture is in place *today* for Intermedia, although I am reasonably certain that the Buckhead tandem was made multi-tandem, on BellSouth's instance and without Intermedia's consent, in or around June 1998, as discussed above. It is beyond any doubt, however, that Intermedia is not, *on its own*, sending traffic destined to the end offices subtending the Norcross tandem via the Buckhead tandem. Specifically, traffic that is destined to the end offices subtending the Norcross tandem is sent

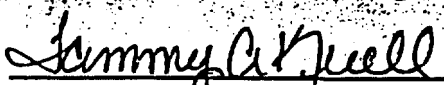
directly to the Norcross tandem, and traffic that is destined to the end offices subtending the Buckhead tandem is sent directly to the Buckhead tandem. BellSouth may well be using multi-tandem to route Intermedia's traffic today, but certainly *not* because Intermedia requested it. Indeed, once Intermedia's traffic is sent to the appropriate tandem, e.g., Buckhead tandem, Intermedia has no control over the ultimate routing of that traffic (and in fact Intermedia has no way of knowing whether that traffic was routed in the manner requested by Intermedia, unless BellSouth produces its translation records). As stated previously, Intermedia prefers to have direct, individual interconnections to all the tandems in the Atlanta LATA, for technical and other reasons.

12. In conclusion, Intermedia has never requested, *on its own*, multi-tandem architecture in the Atlanta LATA in June 1998 or anytime thereafter. Intermedia did, *at BellSouth's request*, submit an ASR requesting temporary conversion to multi-tandem architecture in order to relieve congestion in BellSouth's tandems. That ASR has since been cancelled by both Intermedia and BellSouth. It has never been Intermedia's intention to have a multi-tandem architecture on a permanent basis.

FURTHER AFFIANT SAYETH NOT.


Edward L. Thomas

SUBSCRIBED AND SWORN TO BEFORE ME this 14 day of July, 1999.

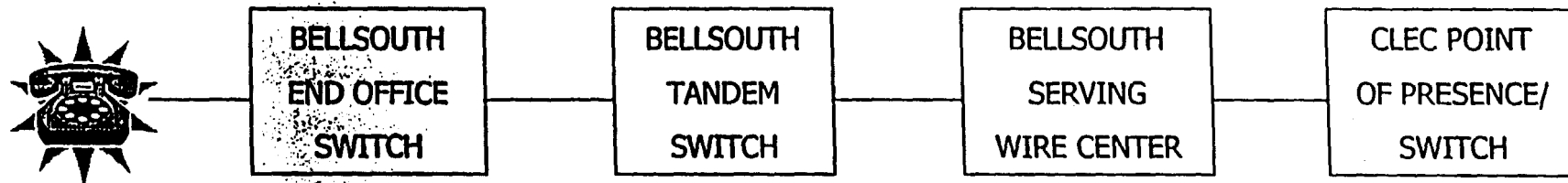

NOTARY PUBLIC

My Commission Expires:

NOTARY TAMMY A. KUELL
PUBLIC State of Florida
My comm. expires July 17, 1999
Comm. No. CC 481368
(☒) Personally Known () Produced I.D.

EXHIBIT A

TYPICAL INTERCONNECTION OF CLEC AND BELL SOUTH SWITCHES

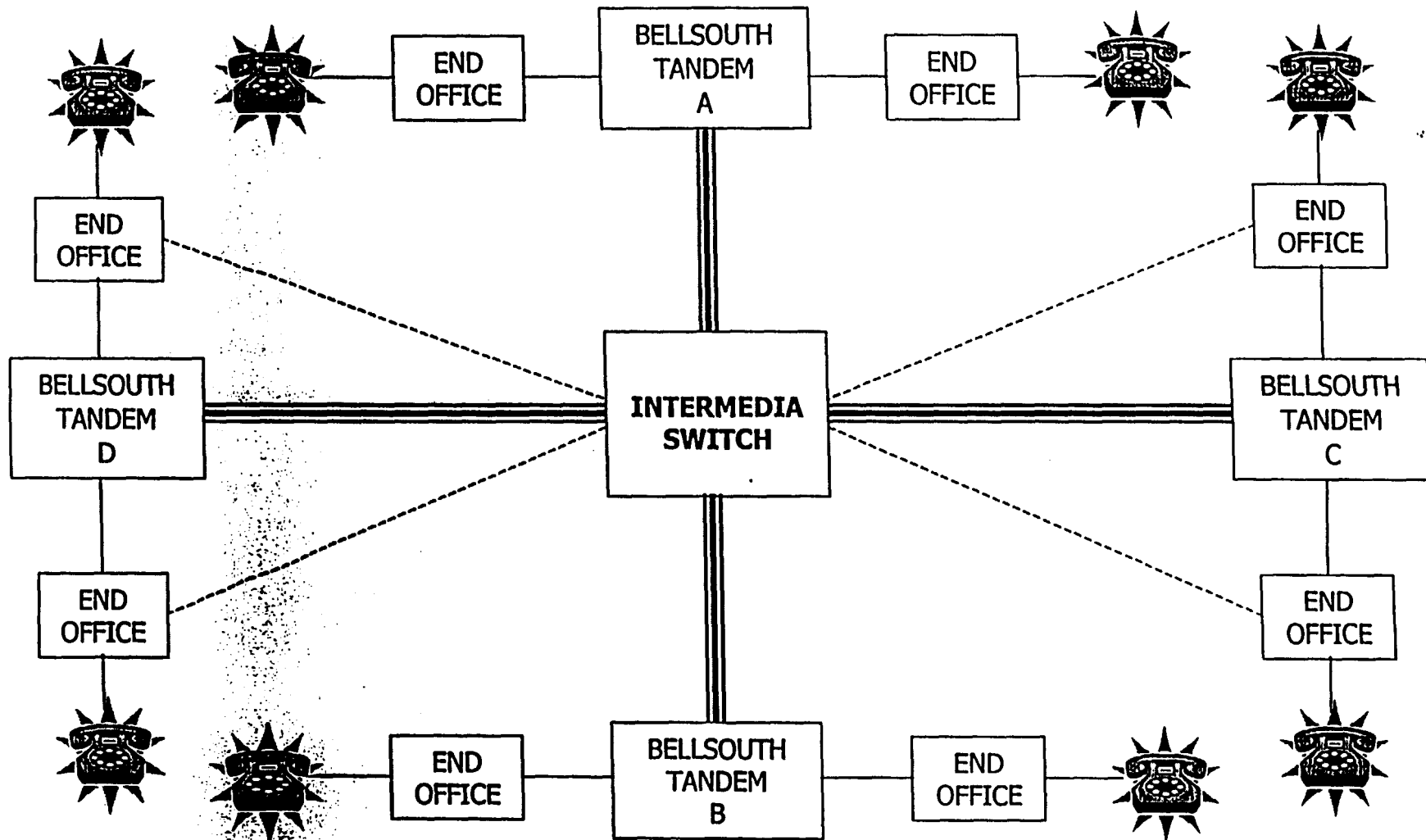


Affidavit of Edward L. Thomas

Exhibit A

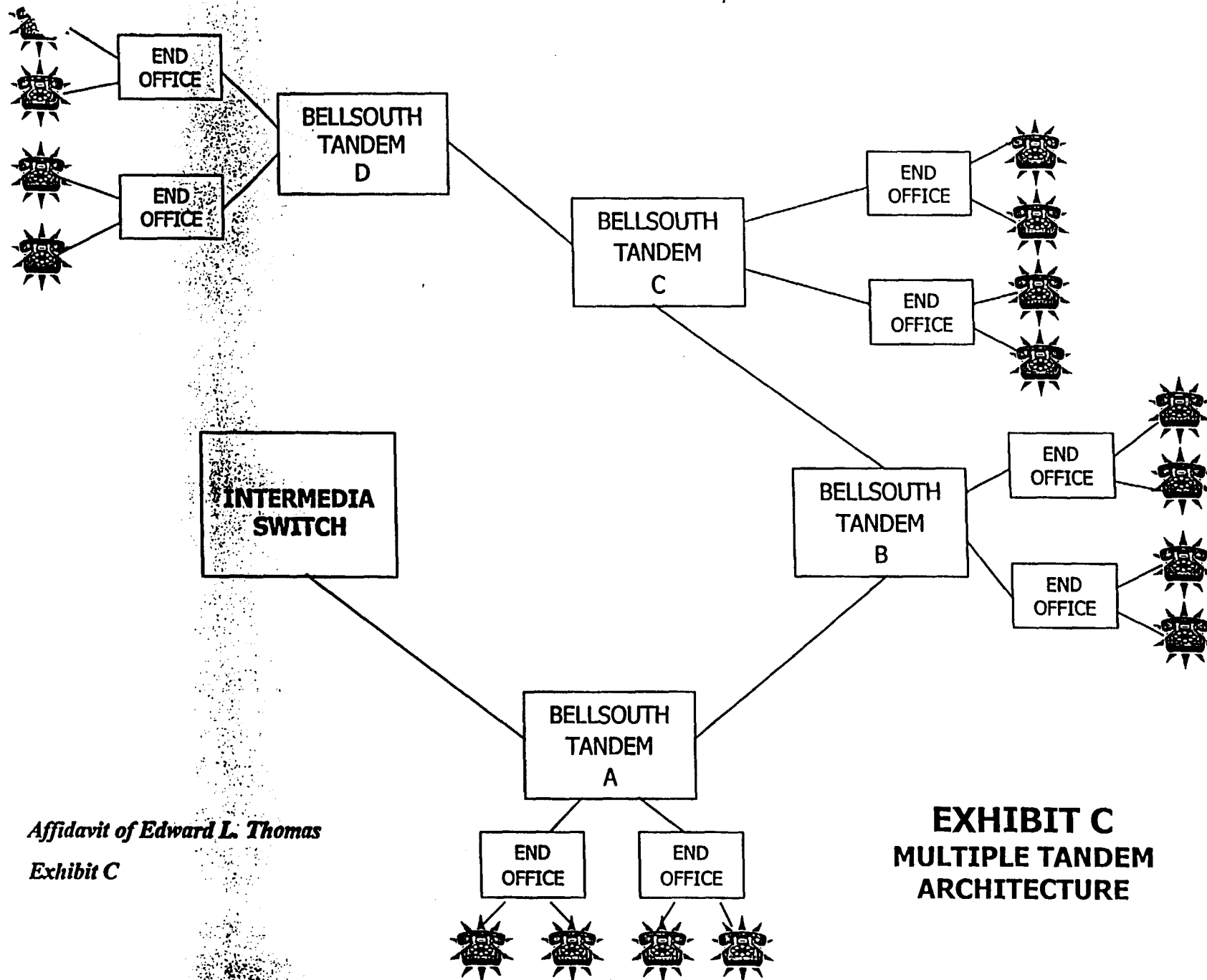
EXHIBIT B

SINGLE TANDEM ARCHITECTURE



Affidavit of Edward L. Thomas

Exhibit B



Affidavit of Edward L. Thomas
Exhibit C

EXHIBIT C
MULTIPLE TANDEM
ARCHITECTURE

DUPLICATE

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

FILED IN CLERK'S OFFICE
U.S.D.C. Atlanta

FEB - 7 2000

LUTHER B. THOMAS, Clerk
By: *SA*
Deputy Clerk

BELLSOUTH
TELECOMMUNICATIONS, INC.,

Plaintiff,

v.

No. 1:99-CV-0518-JOF

INTERMEDIA COMMUNICATIONS, INC.,
GEORGIA PUBLIC SERVICE COMMISSION,
STANCIL O. WISE in his official capacity
as Chairman, LAUREN "BUBBA"
MCDONALD, in his official capacity as
Commissioner, ROBERT DURDEN,
in his official capacity as Commissioner,
and ROBERT B. BAKER, JR., in his
official capacity as Commissioner,

Defendants.

**BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE TO INTERMEDIA
COMMUNICATIONS, INC.'S MOTION TO COMPEL PAYMENT INTO COURT**

BellSouth Telecommunications, Inc. ("BellSouth") hereby responds to and opposes
Intermedia Communications, Inc.'s ("Intermedia") Motion to Compel BellSouth
Telecommunications, Inc. To Deposit Funds Into Court In Accordance With The Court's Order
(the "Motion"). The Court should deny Intermedia's Motion for two reasons. First, BellSouth
has complied with, and will continue to comply with, the Court's April 30, 1999 Order (Docket
No. 19) ("April 1999 Order") regarding the deposit of funds with the Court. Second, BellSouth
agrees with Intermedia that the rate dispute that has arisen between BellSouth and Intermedia is
not properly before this Court and should be resolved by the Georgia Public Service Commission

(the "GPSC"). The dispute over the appropriate reciprocal compensation rate the parties should be paying in Georgia has nothing to do with the issue presently before the Court, namely whether BellSouth is obligated to pay reciprocal compensation for non-local ISP-bound traffic pursuant to the terms of the parties' interconnection agreement. Consequently, BellSouth regrets that Intermedia continues to attempt to embroil the court in this rate dispute, particularly because, after the filing of the Motion, BellSouth offered to escrow the funds associated with this rate dispute in a separate account pending resolution of the issue by the GPSC. Intermedia rejected BellSouth's offer, proposing instead that the funds be placed with the registry of the court, and remain with the court until the GPSC resolves the rate dispute, even though the rate dispute is not before the Court. Indeed, Intermedia's proposal cannot be squared with its adamant position, as set forth in its Motion, that "this Court is not the jurisdictional forum for...the enforcement issue...." (Motion at 13). For these reasons, BellSouth respectfully requests that the Court deny Intermedia's Motion.

DISCUSSION

I. BELLSOUTH HAS COMPLIED FULLY WITH THE COURT'S ORDER TO DEPOSIT FUNDS INTO COURT.

In its Motion, Intermedia claims that BellSouth has failed to comply with the Court's April 1999 Order by not paying into Court the sums invoiced by Intermedia. Intermedia's position is based on a misunderstanding of the Court's April 1999 Order. In the April 1999 Order, the Court directed "that BellSouth shall deposit with the Court, no later than May 4, 1999, all sums that have been billed to BellSouth by Intermedia *that would be due to Intermedia....*" (April 1999 Order at 2) (Emphasis added). The Court further directed that "BellSouth shall deposit with the Court all sums of disputed reciprocal compensation that have been billed to

BellSouth by Intermedia *that were to be due between March 1, 1999, and May 11, 1999.*" (April 1999 Order at 2) (Emphasis added). Finally the Court held that "BellSouth shall deposit with the Court all further amounts of disputed reciprocal compensation within thirty (30) days of BellSouth's receipt of an invoice from Intermedia...." (April 1999 Order at 2-3). The April 1999 Order does not specify that BellSouth must pay all amounts invoiced; rather, it specifies that BellSouth must pay into Court the "amounts that would be due" if the Court decided in Intermedia's favor on the question of whether reciprocal compensation is due for ISP-bound traffic. BellSouth is not obligated, as Intermedia contends, to pay into Court any amount that Intermedia chooses to bill BellSouth. Such an interpretation would lead to absurd results.

Intermedia's position is that the Court directed BellSouth to pay into Court the "amounts billed by Intermedia." (Motion at 8). This position, however, is faulty because it reads out of the April 1999 Order the clause: "that would be due to Intermedia." Because it renders portions of the April 1999 Order superfluous, such a construction is not permissible. The Court specifically limited the payments into Court to those that would be due if Intermedia prevails on the ISP issue. Moreover, however ill-founded its position, Intermedia already seems to be claiming that BellSouth somehow acquiesced in the rate by making initial payments into the Court using Intermedia's rate. If BellSouth were required by the April 1999 Order to pay into Court all amounts "invoiced," BellSouth would have to pay based on Intermedia's rate and thereby potentially jeopardize its chances of recovering these disputed funds from Intermedia.

BellSouth has complied with the Court's April 1999 Order by paying into the registry of the court the amounts that would be due (i.e. amounts calculated at the appropriate rate) should Intermedia prevail on the ISP issue. Thus, the Court should deny Intermedia's Motion because it

is based on a misinterpretation of the Court's April 1999 Order and of BellSouth's obligations pursuant to that Order.

II. BELLSOUTH AGREES THAT THE GEORGIA PUBLIC SERVICE COMMISSION SHOULD RESOLVE THE DISPUTED RATE ISSUE.

BellSouth agrees with Intermedia that the rate dispute should be addressed in the first instance by the GPSC.¹ In fact, in an effort to resolve this matter, BellSouth proposed in a letter to Intermedia that:

- BellSouth will continue to pay into the Registry of the court appropriate sums for ISP-bound traffic calculated at the rate BellSouth believes is correct.
- BellSouth will establish a separate, interest-bearing escrow account into which it will deposit the difference in reciprocal compensation using the rate it contends is appropriate and the rate Intermedia contends is appropriate.
- Intermedia may file a petition with the Georgia Public Service Commission for a declaratory judgment on the issue of the dispensation of the funds in the separate escrow account.
- Should the district court case conclude prior to the proceeding at the Georgia Public Service Commission, BellSouth will continue to pay the difference between the rate it contends is appropriate and the rate Intermedia contends is appropriate for ISP-bound traffic into the separate escrow account until the Georgia Commission renders a decision regarding the dispensation of the funds.

BellSouth has attached hereto as Exhibit A a copy of its letter to Intermedia.

The purpose of BellSouth's proposal was to achieve precisely what Intermedia purports to want -- the extrication of the Court from a dispute over rates which both parties agree should be in the hands of the GPSC. Intermedia declined to accept BellSouth's proposal. BellSouth continues to be amenable to depositing the disputed funds in a separate escrow account pending the GPSC's resolution of the rate issue; such an arrangement would guarantee Intermedia that the

¹ It is noteworthy that although it continues to complain about the rate BellSouth is using to pay reciprocal compensation to Intermedia, and although it acknowledges that the GPSC is the appropriate forum to resolve this dispute, Intermedia has not yet decided, for whatever reason, to bring its complaint to the GPSC's attention.

funds will be accrued and ready to pay should it prevail at the GPSC, without further burdening this Court about a dispute that is not properly before it.

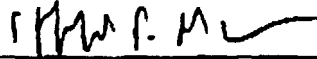
In the alternative, BellSouth will agree to pay the amounts invoiced by Intermedia into the registry of the court so long as no funds whatsoever are disbursed from the registry until the GPSC issues a decision on the rate dispute. Although this alternative will require the Court potentially to maintain the funds in the registry after the Court has issued a decision on the ISP issue, it will address Intermedia's desire to have the disputed funds paid into Court rather than into a separate escrow account.

CONCLUSION

WHEREFORE, BellSouth respectfully requests that this Court DENY Intermedia's Motion and find that BellSouth is in compliance with the Court's April 1999 Order directing BellSouth to pay into Court all sums "that would be due" to Intermedia should Intermedia prevail on the ISP issue. In addition, BellSouth proposes that it either: (1) escrow the disputed funds in a separate escrow fund pending the outcome of the matter before the Georgia Public Service Commission; or (2) deposit the disputed funds with the registry of the court, provided that no funds will be disbursed by the Court until the Georgia Public Service Commission issues a decision on the rate dispute.

This 7th day of February, 2000.

Respectfully submitted,



Matthew H. Patton (Ga. Bar No. 467300)

John F. Beasley (Ga. Bar No. 045000)

Robert P. Marcovitch (Ga. Bar No. 469979)

KILPATRICK STOCKTON LLP

Suite 2800

1100 Peachtree Street

Atlanta, Georgia 30309-4530

(404) 815-6500

Fred McCallum Jr. (Ga. Bar. No. 481517)

General Counsel-Georgia

BellSouth Telecommunications, Inc.

Legal Department

Suite 376

125 Perimeter Center West

Atlanta, Georgia 30346

(770) 391-2416

*Attorneys for Plaintiff BellSouth
Telecommunications, Inc.*

Lisa B. Foshee
Attorney

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30378-0001
Telephone: 404-888-0784
Facsimile: 404-814-4054

January 26, 2000

Scott A. Sapperstein
Intermedia Communications Inc.
3625 Queen Palm Drive
Tampa, FL 33619

Re: *BellSouth Telecommunications, Inc. v. Intermedia Communications, Inc.*,
Case No. 1:99-CV-0518

Dear Scott:

As we discussed in our telephone conversation on January 25, 2000, the following is a written statement of BellSouth's proposal regarding Intermedia's Motion to Compel BellSouth Telecommunications, Inc. To Deposit Funds Into Court. Specifically, BellSouth proposes the following:

- BellSouth will continue to pay into the Registry of the court appropriate sums for ISP-bound traffic calculated at the rate BellSouth believes is correct.
- BellSouth will establish a separate, interest-bearing escrow account into which it will deposit the difference between the rate it contends is appropriate and the rate Intermedia contends is appropriate for ISP-bound traffic.
- Intermedia may file a petition with the Georgia Public Service Commission for a declaratory judgment on the issue of the dispensation of the funds in the separate escrow account.
- Should the district court case conclude prior to the proceeding at the Georgia Public Service Commission, BellSouth will continue to pay the difference between the rate it contends is appropriate and the rate Intermedia contends is appropriate for ISP-bound traffic into the separate escrow account until the Georgia Commission renders a decision regarding the dispensation of the funds.

Please let me know at your earliest convenience whether such terms are acceptable to Intermedia.

Sincerely,



Lisa Foshee

CERTIFICATE OF SERVICE

This is to certify that I have this day caused to be served a true and correct copy of the foregoing **"BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE TO INTERMEDIA COMMUNICATIONS, INC.'S MOTION TO COMPEL PAYMENT INTO COURT"** by mail, with adequate U.S. postage applied, upon the following:

Newton M. Galloway, Esq.
Dean R. Fuchs, Esq.
Newton M. Galloway & Associates
Suite 400, First Union Tower
100 S. Hill Street
Griffin, Georgia 30224
*Attorneys for Proposed Intervenor
MediaOne Telecommunications of Georgia, LLC*

R. David Powell, Esq.
Assistant United States Attorney
1800 Richard Russell Building
75 Spring Street, S.W.
Atlanta, Georgia 30335

Theodore C. Hurt, Esq.
Rachel J. Hines, Esq.
Federal Programs Branch
Civil Division
U.S. Department of Justice
901 E. Street, N.W. Room 927
Washington, D.C. 20004

*Attorneys for Proposed Intervenor
United States of America*

Daniel S. Walsh, Esq.
Assistant Attorney General
40 Capitol Square
Atlanta, Georgia 30334

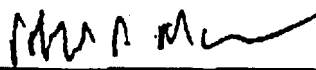
Thomas K. Bond, Esq.
Special Assistant Attorney General
c/o Georgia Public Service Commission
47 Trinity Avenue, S.W.
Atlanta, Georgia 30334

*Attorneys for Defendants Georgia
Public Service Commission and for
the Individual Defendant Public Service Commissioners*

Patrick K. Wiggins, Esq.
Wiggins & Villacorta
2145 Delta Boulevard, Suite 200
Tallahassee, Florida 32303
*Attorney for Defendant Intermedia
Communications, Inc.*

John MacLean, Esq.
2 Martin Luther King Drive
Plaza Level East
Atlanta, Georgia 30334
Consumers' Utility Counsel

This 7th day of February, 2000.


Robert P. Marcovitch

INTERMEDIA COMMUNICATIONS INC.

CERTAINTY IN RECIPROCAL COMPENSATION POLICY IS ESSENTIAL TO PREVENT ANTICOMPETITIVE GAMESMANSHIP

David Ruberg, Chairman & CEO

Heather Gold, VP Regulatory

Jon Canis, Kelley Drye & Warren

February 29, 2000

BELLSOUTH's ANTICOMPETITIVE RECIP. COMP. GAMESMANSHIP

- **BELLSOUTH HAS USED HARASSING
LITIGATION TO DELAY PAYMENT OF
RECIP. COMP. TO INTERMEDIA**
 - Ordered to Pay by FL, NC, GA, TN PUCs
 - Appealed, Stay Denied in FL, NC, GA, Stay
Petition Pending in TN
 - Disputed Payments Now Being Made Pending
Appeal in FL, NC, GA (Direct or Escrow)

BELLSOUTH's ANTICOMPETITIVE RECIP. COMP. GAMESMANSHIP (cont'd)

- AFTER LOSING ITS CASES & STAY REQUESTS, BELLSOUTH NOW ARGUES INTERMEDIA'S RATES ARE INCORRECT -- TOO HIGH
 - Focus on a “Multi-Tandem Architecture”
Amendment to the Interconnection Agreement
- THIS LATEST DISPUTE HAS STARTED A NEW ROUND OF LITIGATION

BELLSOUTH's ANTICOMPETITIVE RECIP. COMP. GAMESMANSHIP (cont'd)

- **THE MTA OFFERING**
 - Proposed by BellSouth in June 1998 After Asserting That Tandem Trunks in Buckhead, GA Were Exhausted
 - MTA proposed by BellSouth as means for bypassing tandem via alternative trunking
 - Bellsouth convinced Intermedia engineers that MTA was the only way to alleviate exhaust in Buckhead